

R ESEARCH HIGHLIGHT

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SUSTAINING THE NON-PROFIT HOUSING SECTOR IN BRITISH COLUMBIA

INTRODUCTION

Affordable, secure and safe housing contributes to the well being of Canadian households and promotes the growth of stable communities. The non-profit housing sector in British Columbia is making a key contribution in that regard by managing a variety of significant housing portfolios across the province. The sector currently faces a range of operational issues including uncertainty about its future sustainability.

This study describes the size and complexity of the sector and uses that overview as part of the context within which to consider

- the current management performance of the sector
- the problems/successes it is experiencing
- its attitudes towards those problems/successes
- the options for improvement available to it

METHODOLOGY

A survey instrument was developed utilizing the expertise of the consulting team as well as input from the project steering committee and key informants in the sector. The final survey document, was field tested with societies selected from the Board of Directors of the British Columbia Non-Profit Housing Association.

The survey is divided into seven sections

- Section 1 includes introductory overview questions on management activities and subjects of special interest (sharing services and volunteerism).
- Sections 2 to 6 cover main business areas — maintenance, tenancy management, governance, human resource management and financial management.
- Section 7 explores some of the future issues facing the non-profit sector and asks respondents to suggest ways to increase revenue and improve operating agreements.

The survey was administered in 2004 to a representative sample of 379 non-profit housing providers from across the province utilizing e-mail, fax and regular mail. A response rate of 36 per cent (135 replies) was achieved.

KEY FINDINGS

The non-profit housing sector in B.C. consists (as of 2004) of 511 societies managing 1,248 housing developments which include almost 39,000 housing units. Of the 511 societies, about half manage seniors buildings only; 15 per cent manage family developments exclusively; more than 30 per cent house special needs clients exclusively and about 4 per cent provide shelter for a mixture of client groups.

Almost two thirds of all societies manage a single building; only 8 per cent manage six or more buildings.



Canada



The sector responds to the normal concerns facing private property managers as well as the increasingly challenging issues presented by clients with a range of special needs, aging seniors with increasing health services demands and residents with behavioural issues.

Very few societies currently share services with other societies; however, assuming favourable financial circumstances, a large number are willing to consider sharing virtually all major services. This includes employed staff as well as contracted services and administrative systems.

Volunteers are moderately used across the sector and appear to be most involved with the delivery of tenant services and participating as board members. A significant number of groups want to increase the level of volunteerism but face barriers including difficulties in locating suitable people and in finding the time and staff resources to train and manage them. Shortages of suitable board members and individuals that could assist with operations are both apparent. Societies are looking for assistance and guidance in this area. They feel this resource needs to be further developed and managed on a larger scale, perhaps regionally.

While societies reported that the majority of current maintenance challenges were routine in nature and are being met with existing resources, there are growing concerns regarding their capacity to maintain current standards in this area, given uncertainty over future funding levels. As well, the sector is faced with increasing costs in labour and materials. Also, as buildings age and systems deteriorate, these problems will increase. Societies suggested a number of creative approaches to maintenance issues including the development of multidisciplinary teams to provide advice on major problems and the identification of specialist contractors to deal with substantial plumbing and other building system problems.

Societies reported a high level of board effectiveness and stated that they seldom faced governance issues. The

issues they did report tended to be related to the role and activities of the board. Those societies identifying board problems indicated that greater emphasis needs to be placed on training and development of Board members. This will be especially important as societies strive to improve their management practices in their efforts to achieve long term sustainability.

Only 40 per cent of responding groups produce an annual plan. That number should increase given that many societies recognize that they need change and that success in implementing change is positively correlated with appropriate preplanning. Societies appear to need guidance in identifying which operational adjustments would benefit them most and in developing effective implementation strategies for those adjustments.

Societies are seeking solutions to their human resource issues. There needs to be more energy focused on the development of strategies for the sharing of skilled staff and human resource policies within the sector.

The most significant challenge facing the sector is coping with financial challenges ranging from decreases in subsidies to increases in overall operating costs. Societies are willing to consider a wide range of alternatives in their efforts to cope with those challenges.

Respondents expressed a need for assistance and support as they strive to develop new strategies to reduce their reliance on government and improve their overall cost effectiveness.

Many of the societies who responded to this survey are sanguine about their current management practices. Most, however, feel they must improve further if they are going to be sustainable in the face of increasing operational challenges.

The societies in the more rural areas of the province face a distinct set of problems. Paramount among them is lack of access to resources, including skilled trades people and professionals, that are usually more plentiful in larger centres.

CONCLUSION

The non-profit housing sector in British Columbia is aware that it must develop long-term management strategies that maximize the utility of its available resources, now and for the future, and thereby help to ensure that it is able to continue to operate over the long term.

Areas of particular interest include

- consolidation and rationalization of common services or functions using shared service delivery models
- increased co-operation among societies ranging from information exchange to joint business ventures to collaborative initiatives
- expansion of the scope and effectiveness of volunteerism

Given that the sector is willing to consider options that would improve their long-term efficiency and cost effectiveness, it would be productive for their funding partners to assist the sector to implement meaningful changes, to examine how they might provide greater certainty concerning the long-term funding of the sector and to assist with administrative efficiencies.

SUGGESTIONS FOR FUTURE RESEARCH

The research consultant recommends that this study be extended to a second phase which would provide societies with practical techniques designed to facilitate improvement. It has identified four initial topics which, based on this study, would provide the broadest benefit to the sector:

- expanding the sharing of services/resources and extending bulk purchase opportunities including partnerships with other societies or the private sector as appropriate;
- developing more interaction, co-operation and exchange of technical expertise among societies;
- attracting, training and managing volunteers more effectively; and
- increasing the scale and professionalism of fund raising.

This should involve consulting with representative society members and experts appropriate to the initiative to sharpen the focus of these topics and develop workable delivery strategies that societies can use to contribute to their overall effectiveness and to improve their prospects for long-term sustainability. These should address shortages of skilled trades people and professionals and other issues relevant to rural and urban areas. The resultant approach should then be tested in actual situations with volunteer societies and be fine-tuned to ensure that it could be replicated in other situations, with minimal external support.

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Research Report:

*Sustaining the Non-Profit Housing
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Research Consultants: Marason Management Limited in
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Housing Research at CMHC

Under Part IX of the *National Housing Act*, the Government of Canada provides funds to CMHC to conduct research into the social, economic and technical aspects of housing and related fields, and to undertake the publishing and distribution of the results of this research.

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